

EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

OLC 70-0872

December 14, 1970

LEGISLATIVE REFERRAL MEMORANDUM

To: Legislative Liaison Officer

Department of Agriculture  
Atomic Energy Commission  
Council of Economic Advisers  
Central Intelligence Agency  
Department of Defense

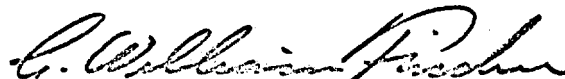
Department of the Interior  
Department of Justice  
Small Business Admin.  
Department of State  
Department of the Treasury

Subject: Department of Commerce draft bill "To provide for continuation of authority for regulation of exports."

The Office of Management and Budget would appreciate receiving the views of your agency on the above subject before advising on its relationship to the program of the President, in accordance with Budget Circular A-19.

- (x) To permit expeditious handling, it is requested that your reply be made within 30 days.
- ( ) Special circumstances require priority treatment and accordingly your views are requested by

Questions should be referred to Woody Small (103 X 4874), (103 X 3875) or to Jay Paul Brenneman the legislative analyst in this office.

  
C. William Fischer, for  
Assistant Director for  
Legislative Reference

Enclosures

Commerce draft



DEPARTMENT OF THE SECRETARY OF COMMERCE  
Washington, D.C. 20230

DEC 8 1970

Honorable George P. Shultz  
Director, Office of Management  
and Budget  
Washington, D. C. 20503

Dear Mr. Shultz:

The Department of Commerce has included in its legislative program for the 1st Session, 92nd Congress a proposal (Item No. 4)

"To provide for continuation of authority for regulation of exports,"

Enclosed are four copies of the draft bill, together with a statement of purpose and need in support thereof.

Your advice is requested as to whether there would be any objection to the submission of our draft bill to the Congress.

Sincerely,

JAMES T. LYNN

General Counsel

Enclosures

A BILL

To provide for continuation of authority for regulation of exports.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that section 14 of the Export Administration Act of 1969 (83 Stat. 847; 50 U.S.C. App. 2413) is amended by striking out "1971" and inserting in lieu thereof "1975".

STATEMENT OF PURPOSE AND NEED

The proposed legislation would extend until June 30, 1975, the Export Administration Act of 1969 (50 U.S.C. App. §2401-2413) which is now scheduled to expire by its terms on June 30, 1971.

The Export Administration Act of 1969 authorizes the President to regulate exports of U. S. goods and technology to the extent necessary (a) to protect the domestic economy from the excessive drain of scarce materials and to reduce the serious inflationary impact of abnormal foreign demand, (b) to further significantly the foreign policy of the United States and to fulfill its international responsibilities, and (c) to exercise the necessary vigilance over exports from the standpoint of their significance to the national security of the United States. One of the policy declarations in the Act encourages trade with all countries with which the United States has diplomatic or trading relations, except those with which such trade has been determined by the President to be against the national interest. Another policy declaration provides that U. S. economic resources and trade potential should be used to promote the sound growth and stability of the economy, as well as to further national security and foreign policy objectives.

The Department maintains a list of certain commodities and technical data which are under export control to the U.S.S.R., and other Communist destinations in Eastern Europe. Export to such destinations are approved, denied or limited, as required by U.S. national security. In addition, U. S. exports are generally prohibited to Cuba, Communist China, North Korea, and North Vietnam, to prevent detriment to U.S. national security, and on foreign policy grounds. Validated export licenses (issued on the basis of applications submitted by exporters) are required for exports of a limited number of strategic commodities and technical data to free world countries, except Canada, principally to prevent their diversion to destinations to which direct U.S. exports are generally denied or restricted.

The tensions and uncertainties of world political affairs will probably make it vital for some time in the future to continue the President's authority to control exports in conformity with U. S. foreign policy and security objectives. The United States should not be left without authority to exercise flexibly such control when and to the extent necessary.

We urge consideration of the enclosed draft bill by the Congress as early in this session as possible in view of the Act's scheduled expiration on June 30, 1971. Prompt extension of the legislation is needed to prevent any doubt here or abroad concerning the continuance of this important facet of our national security program, as well as for budgetary, planning, and personnel reasons.